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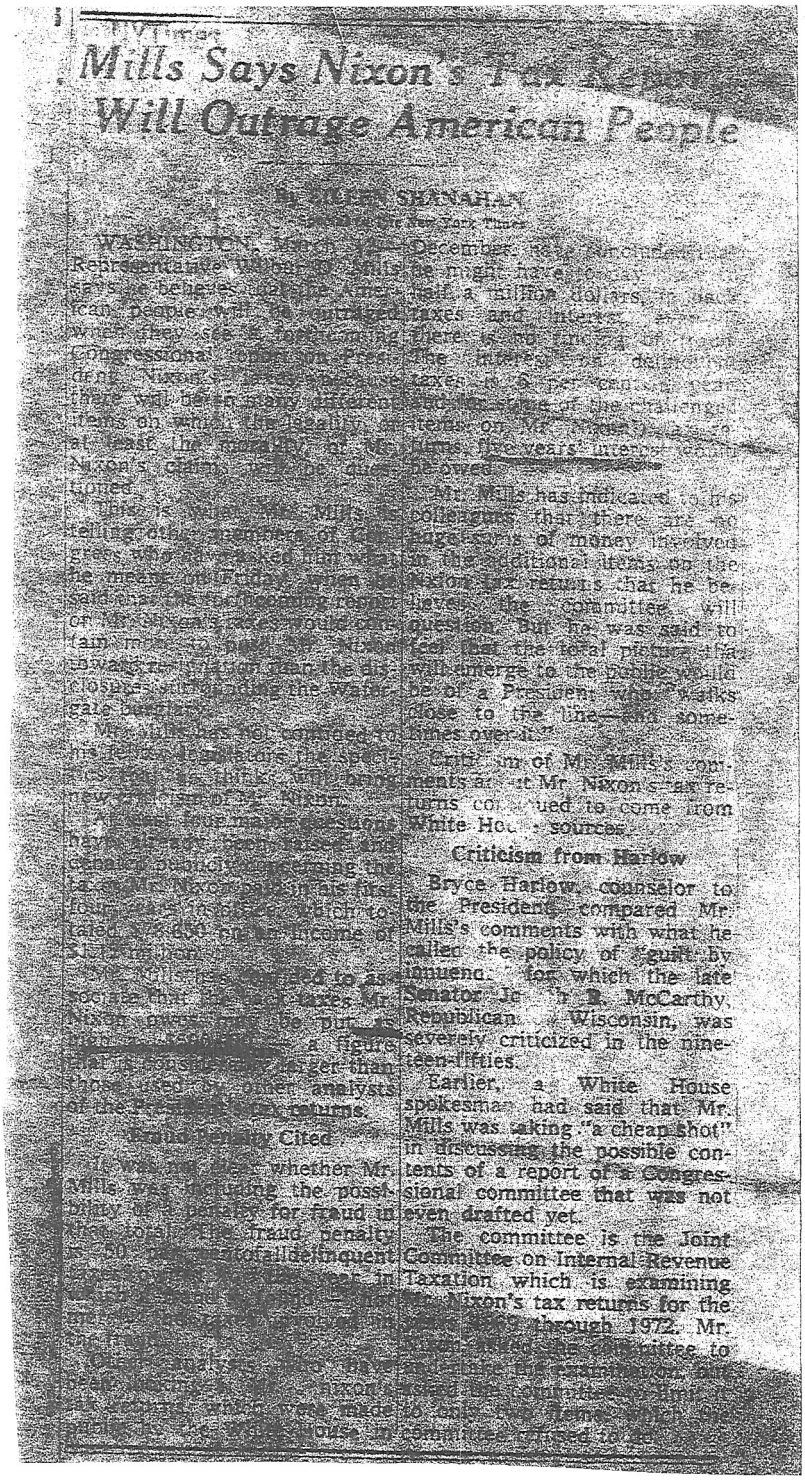

Mills Says Nixon's Tax Items Will Outrage American People

By ELLEN SHANAHAN
Special to The New York Times

WASHINGTON, March [illegible] Representative Wilbur D. Mills [illegible] says he believes [illegible] American people [illegible] will be outraged when they see a forthcoming Congressional report on President Nixon's [illegible] there will be many different items on which he really [illegible] at least the morality of Mr. Nixon's claim [illegible] he [illegible] gained.

This is what Mr. Mills is telling other members of Congress who have asked him what he means by "fraud," when he said that the forthcoming report of Mr. Nixon's tax [illegible] would contain [illegible] to pay. Mr. Mills [illegible] than the disclosures surrounding the Watergate burglary.

Mr. Mills has not confided to his fellow legislators the specific [illegible] with which he [illegible] new version of Mr. Nixon's [illegible] have already been [illegible] and capital gains [illegible] the tax [illegible] Mr. Nixon [illegible] his first [illegible] which to [illegible] [illegible] on his income of [illegible]

[illegible] to assess [illegible] taxes Mr. Nixon [illegible] be put at [illegible] a figure [illegible] that is considerably larger than those cited by other analysts of the President's tax returns.

Fraud Penalty Cited

[illegible] whether Mr. Mills was [illegible] the possibility of [illegible] for fraud in [illegible] total [illegible] fraud penalty [illegible] 50 [illegible] delinquent [illegible] per [illegible]

[illegible] December, [illegible] Nixon [illegible] might have [illegible] half a million dollars, in back taxes and interest. [illegible] there is no [illegible] of fraud. The [illegible] was delinquent [illegible] taxes in 9 per cent [illegible] and because of the challenge [illegible] items on Mr. Nixon's [illegible] returns, five years [illegible] penalty [illegible] be levied.

Mr. Mills has indicated to his colleagues that there are no large sums of money involved in the additional items on the Nixon tax returns that he believes the committee will question. But he was said to feel that the total picture that will emerge to the public would be of a President who "walks close to the line—and sometimes over it."

Criticism of Mr. Mills's comments about Mr. Nixon's tax returns continued to come from White House sources.

Criticism from Harlow

Bryce Harlow, counselor to the President, compared Mr. Mills's comments with what he called the policy of "guilt by innuendo" for which the late Senator Joseph R. McCarthy, Republican of Wisconsin, was severely criticized in the nineteen-fifties.

Earlier, a White House spokesman had said that Mr. Mills was taking "a cheap shot" in discussing the possible contents of a report of a Congressional committee that was not even drafted yet.

The committee is the Joint Committee on Internal Revenue Taxation which is examining Mr. Nixon's tax returns for the [illegible] through 1972. Mr. [illegible] the committee to [illegible] examination, but [illegible] committee agreed to do [illegible]